

Assembly Joint Resolution No. 21

RESOLUTION CHAPTER 155

Assembly Joint Resolution No. 21—Relative to the federal Renewable Fuel Standard program.

[Filed with Secretary of State September 27, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 21, Olsen. Renewable Fuel Standard program: reform.

This measure would urge Congress to reform the Renewable Fuel Standard program, or the United States Environmental Protection Agency to use all available authority, to expeditiously transition away from biofuel sources that compete with food production, as well as implement aggressive mechanisms to promote the development of advanced, sustainable noncrop-based fuels, including, but not limited to, cellulosic ethanol.

WHEREAS, The Renewable Fuel Standard program was created under the Energy Policy Act of 2005, and established the first renewable fuel volume mandate in the United States; and

WHEREAS, The Energy Policy Act of 2005 required 7.5 billion gallons of renewable fuel to be blended into gasoline by 2012 and, under the Energy Independence and Security Act of 2007, the Renewable Fuel Standard program was expanded to include diesel, in addition to gasoline; and

WHEREAS, The Energy Independence and Security Act of 2007 increased the volume of renewable fuel required to be blended into transportation fuel from 9 billion gallons in 2008 to 36 billion gallons by 2022; and

WHEREAS, The 2013 requirement of cornstarch-derived ethanol of 13.8 billion gallons represents approximately 84 percent of the total renewable fuel mandated in the Energy Independence and Security Act of 2007; and

WHEREAS, At the time that the Renewable Fuel Standard program became law, the daily price of a metric ton of corn used in biofuel ethanol production was \$99, and at the time the Energy Independence and Security Act of 2007 became law, the daily price of a metric ton of corn used in biofuel ethanol production had risen to nearly \$180, with the latest price of a metric ton of corn currently reported by the United States Department of Agriculture as approximately \$310, representing an increase of over 300 percent since the inception of the Renewable Fuel Standard program; and

WHEREAS, The Environmental Protection Agency has determined that as a result of the Renewable Fuel Standard program, the increase in overall commodity prices expected as a result of the demand for agricultural products used in biofuel production will result in an annual increase of food costs to consumers of over \$3 billion by 2022; and

WHEREAS, Agriculture is a vital component of California's economic livelihood with livestock, poultry and related products, accounting for approximately 26 percent, or \$12.4 billion of California's gross agricultural cash income in 2011; and

WHEREAS, California leads the nation in milk production with over 1.75 million dairy cows that primarily depend on feed corn; and

WHEREAS, The loss of alternative feedstock acreage to biofuel crop production combined with the unprecedented rise in corn prices due to the requirements of the Renewable Fuel Standard program have significantly contributed to the loss of dairy production capacity in California, as represented by the 387 California dairies that have gone out of business since 2007, with over 100 dairy farms lost in 2012 alone; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature recognize and support the benefits from a robust and thriving agricultural sector, and join a diverse group of businesses, industry representatives, and beef, dairy, and poultry producers across California in urging Congress to reform the Renewable Fuel Standard program, or the United States Environmental Protection Agency to use all available authority, to expeditiously transition away from biofuel sources that compete with food production, as well as implement aggressive mechanisms to promote the development of advanced, sustainable noncrop-based fuels, including, but not limited to, cellulosic ethanol; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Minority Leader of the House of Representatives, to the Majority Leader of the Senate, to the Minority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States.